



EAST STAFFORDSHIRE BOROUGH COUNCIL

REPORT COVER SHEET

Title of Report:	Statutory Pay Policy 2024	To be marked with an 'X' by Democratic Services after report has been presented
Meeting of:	Corporate Management Team - 19 June 2024	X
	Pre Cabinet - 21 June 2024	X
	Leader's / Leader of the Opposition's Advisory Group 4 July 2024	x
	Cabinet Council 23 Sept 2024	
	Audit Committee [DATE] / Scrutiny Regeneration, Development and Market Hall Committee [DATE] / Scrutiny Health and Well Being Committee [DATE] / Scrutiny Climate Change and Environment Committee / Scrutiny Value for Money Council Committee [DATE]	



<p>Is this an Executive Decision:</p>	<p>NO</p>	<p>Is this a Key Decision:</p>	<p>NO</p>
<p>Is this in the Forward Plan:</p>	<p>NO</p>	<p>Does this report contain Confidential or Exempt Information:</p> <p>If the report Contains Confidential Information, please provide reason.</p> <p>If the report contains Exempt Information, please state relevant paragraph from Schedule 12A LGA 1972:</p>	<p>NO</p> <p>[]</p> <p>[]</p>



Essential Signatories:

ALL REPORTS MUST BE IN THE NAME OF A HEAD OF SERVICE

Monitoring Officer: **John Teasdale**

Date Signature

Chief Finance Officer: **Lloyd Haynes**

Date Signature

EAST STAFFORDSHIRE BOROUGH COUNCIL

Report to Council

Date: 23 Sept 2024

REPORT TITLE: Annual Pay Policy Statement - 2024

PORTFOLIO: Leader of the Council, Councillor M Fitzpatrick

CHIEF OFFICER: Andy O'Brien

CONTACT OFFICER: Helen Bacon Ext. No. x2510

WARD(S) AFFECTED: N/A

1. Purpose of the Report

1.1. To approve the changes to the Annual Pay Policy Statement updated for 2024.

2. Executive Summary

2.1. There is a legal requirement to produce and publish a Pay Policy Statement and to review it annually. Any amendments need to be recommended to full council.

2.2. There are no major changes to the statement this year. The main Statement amendments are:

2.2.1. Updated pay rate figures and ratios for the lowest paid employees

2.2.2. Updated pay rate figures for those covered by the NJC pay award

2.2.3. Updated pay rate figures for Chief Officers, following national pay award.

2.2.4. The recommended ratios continue to fall when comparing both Chief Officer and Chief Executive pay with the lowest paid and the median average paid employees.

2.3. Please see appendix 1, which includes the full Annual Pay Policy Statement - 2024.

3. Background

- 3.1.** The Pay Policy Statement is “a public document to be used as an information source to enable local taxpayers to hold their councillors to account on pay matters” (DCLG February 2013)
- 3.2.** Through the Localism Act 2011 the Government introduced specific requirements on Councils and Councillors relating to pay. The aim was to bring increased accountability and transparency in setting local pay. This included identifying the methods by which salaries of all staff are determined; and the detail and level of remuneration of its most senior staff i.e. Chief Officers.
- 3.3.** The Localism Act required Local Authorities to produce a pay policy statement for 2012/13 and for each financial year after that. Any amendments need to be recommended to full council. Our Pay Policy Statement for 2013/14 was updated following the supplementary guidance issued by the Department for Communities and Local Government in February 2013; and it has been reviewed and published annually thereafter.
- 3.4.** The Local Government Transparency Code 2015 requires us to publish our pay multiple on our website, defined as the ratio between the highest paid taxable earnings for the given year and the median earnings.
- 3.5.** No further updated guidance or new requirements have been used affecting the production of this statement.

4. Contribution to Corporate Priorities

- 4.1.** This is a legislative requirement and the Council’s Pay Policy Statement is consistent with the Corporate Priority to deliver a prosperous East Staffordshire.

5. Main Body of Report

- 5.1.** There are no major changes to the statement this year. The statement includes the requirement to show the relationship between the lowest and highest pay rates in the organisation (as recommended by the Hutton Review of Fair Pay in the Public Sector 2010); and the relationship between the median pay rate and the highest pay rates.
- 5.2.** The National Pay Award increases for both Chief Officers and NJC staff, have been included, i.e. 3.5 % and £1925 respectively from 1st April 2023.
- 5.3.** At 31st March 2024 the lowest paid employee holds a cleaning role with a salary at spinal column point 2, this remains the same as the previous year.

5.4. Apprenticeships are paid on NJC pay scales as in previous years.

5.5. In summary the findings at 31st March 2024 are as follows:

5.5.1. There is a marginal reduction from 2023 in the ratio of the lowest paid employee and the Chief Executive's salary, at 1:6.24

5.5.2. There is also a marginal reduction from 2023 in the ratio of the lowest paid employee and the average chief officer salary at 1:4.07.

5.5.3. Including apprentices, the ratio of the lowest paid employee to the Chief Executive pay has reduced from the 2023 figure of 1:6.65 to 1:6.24

5.5.4. The ratio of the Heads of Service (Chief Officer) salary to the lowest paid employee (including apprentices) has also decreased from 1:4.54 in 2023 to 1:4.07 in 2024

5.5.5. As in the previous three years, the median salary point remains at the same spinal column point, denoted by scp17 at 31st March 2024.

5.5.6. The ratio of the median salary to the Chief Executive pay is now 1:4.85 (down from 1:5.02 in 2023). The ratio of this to the average Heads of Service (Chief Officer) pay is 1:3.16 (down from 1:3.43 in 2023)

6. Financial Considerations

This section has been approved by the following member of the Financial Management Unit: Lloyd Haynes

6.1. There are no direct financial issues arising from this Report.

7. Risk Assessment and Management

7.1. The main risks to this Report and the Council achieving its objectives are as follows:

7.2. **Positive** (Opportunities/Benefits):

7.2.1. Continued transparency

7.3. **Negative** (Threats):

7.3.1. None

7.4. The risks do not need to be entered in the Risk Register. Any financial implications to mitigate against these risks are considered above.

8. Legal Considerations

*This section has been approved by the following member of the Legal Team:
John Teasdale*

8.1. The main legal issues arising from this Report are as follows:

Section 38(1) of the Localism Act 2011 requires all Local Authorities to publish an annual pay policy statement to ensure transparency and accountability in relation to the Council’s approach to setting pay. The Annual pay statement must be approved by full Council and published on the Council’s website.

9. Equalities and Health

9.1. **Equality impacts:** The subject of this Report is a policy, strategy, function or service that is new or being revised. There are no changes to the previous equality and health impact assessment (2014/15).

8.2 **Health impacts:** The outcome of the health screening question does not require a full Health Impact Assessment to be completed.

9.2. An equality and health impact assessment is not required

Is it a Health or Equality action?	Issue/impact identified	Recommendation/Action required	Lead officer and timescale	Resource allocation

10. Data Protection Implications – Data Protection Impact Assessment (DPIA)

10.1. A DPIA must be completed where there are plans to:

- use systematic and extensive profiling with significant effects;
- process special category or criminal offence data on a large scale; or
- systematically monitor publicly accessible places on a large scale
- use new technologies;
- use profiling or special category data to decide on access to services;
- profile individuals on a large scale;
- process biometric data;
- process genetic data;

- match data or combine datasets from different sources;
- collect personal data from a source other than the individual without providing them with a privacy notice ('invisible processing');
- track individuals' location or behaviour;
- profile children or target marketing or online services at them; or
- process data that might endanger the individual's physical health or safety in the event of a security breach

10.2 Following consideration of the above, there are no Data Protection implications arising from this report which would require a DPIA

11. **Human Rights**

11.1. There are no Human Rights issues arising from this Report.

12. **Environmental Impacts**

Consider impacts related to the Climate Change & Nature Strategy aims:

- Reducing greenhouse gas emissions (climate change mitigation)
- Preparing for future climate change (adaptation)
- Protecting and enhancing nature
- Using resources wisely and minimising waste and pollution

12.1. Does the proposal have any positive or negative environmental impacts? No

12.2. If so, are these impacts **significant**? N/A

12.3. Please detail the positive/negative environmental impacts and any mitigation:

12.3.1. Positive impacts (Benefits/Opportunities) N/A

12.3.2. Negative impacts (Threats/Mitigation) N/A

13. **Recommendation(s)**

13.1. To agree the Pay Policy Statement 2024 as presented.

14. **Appendices**

14.1. Appendix 1: Pay Policy Statement 2024 including paygrades

Appendix 1

EAST STAFFORDSHIRE BOROUGH COUNCIL Annual Pay Policy Statement – 2024

1 Introduction and Purpose

- 1.1 Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as authority thinks fit”. This Pay Policy Statement (the ‘statement’) sets out the Council’s approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011.
- 1.2 The purpose of the statement is to provide transparency with regard to the Council’s approach to setting the pay of its employees by identifying:
 - the methods by which salaries of all employees are determined;
 - the detail and level of remuneration of its most senior staff i.e. ‘chief officers’, as defined by the relevant legislation;
- 1.3 The Cabinet is responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and recommending any amendments to the full Council.
- 1.4 Once approved by the full Council, this policy statement will come into immediate effect and will be subject to review on a minimum of an annual basis in accordance with the relevant legislation prevailing at that time.

2 Legislative Framework

- 2.1 In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Workers (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Employment) Regulations 2006, as amended.
- 2.2 With regard to the Equal Pay requirements contained within the Equality Act 2010, the Council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through maintaining the integrity of the well-established equality proofed Job Evaluation mechanisms which directly relate salaries to the requirements, demands and responsibilities of the role. The Guage system has been consistently used at the Council since 2008.

- 2.3 The Equality Act (Specific Duties and Public Authorities) Regulations 2017 requires us to publish our Gender Pay Gap information. This is published on our website annually.

3 Pay Structure

- 3.1 Based on the application of the Job Evaluation process, the Council uses the nationally negotiated pay spine as the basis for its local grading structure. This determines the salaries of the large majority of the workforce, together with the use of other nationally defined rates where relevant.
- 3.2 The national pay award (NJC for LGS) increased pay rates by a flat rate of £1925 for all grades and pay points with effect from 1st April 2023.
- 3.3 Basic salaries for all officers within scope of JNC for Chief Officers of local authorities were increased by 3.50 percent with effect from 1 April 2023.
- 3.4 The Council remains committed to adherence with national pay bargaining in respect of the national pay spine and any annual cost of living increases negotiated in the pay spine.
- 3.5 All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery and/or as determined by Council Policy.
- 3.6 In determining its grading structure and setting remuneration levels for all posts, the Council takes account of the need to ensure value for money in respect of the use of public expenditure. Balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required.
- 3.7 New appointments will normally be made at the minimum SPC of the relevant grade, although this can be varied where necessary to secure the best candidate.
- 3.8 Progression is by annual increments subject to satisfactory service to the maximum of the grade. Accelerated increments may be given for achievement of relevant qualifications during the course of the employment.
- 3.9 From time to time it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent benchmarking evidence of relevant market comparators, using appropriate data sources available from within and outside the local government sector.
- 3.10 All apprentices employed during 2023/24 were all paid at ESBC pay rates (NJC).

4 Senior Management Remuneration

- 4.1 For the purposes of this statement, senior management means 'chief officers' as defined within S43 of the Localism Act. The posts falling within the statutory definition are set out below, with details of their basic salary from 1st April 2023 to 31st March 2024.
- 4.2 **Chief Executive**
The salary of the post is £139,465. The salary falls within a range of 4 incremental points between £125,719, rising to a maximum of £139,465. This is inclusive of payment for returning officer duties in relation to elections.
- 4.3 **Heads of Service**
The salaries of posts designated as Head of Service fall within a range of 6 incremental points between £83,810 rising to a maximum of £100,872
- 4.4 The Council has a number of salary sacrifice schemes in place for officers to participate as they wish; details are available on request.
- 4.5 As far as the remuneration of Chief Officers are concerned the Council will not enter into any employment payment arrangements that seek to minimize tax payments. i.e. by paying permanent or long term contacts through PAYE.

5 Recruitment of Chief Officers

- 5.1 The Council's policy and procedures with regard to recruitment of chief officers is set out within the Officer Employment Rules as set out in Section 4(I) of the Constitution.
- 5.2 When recruiting to all posts the Council will take full and proper account of its own Equal Opportunities Policy including Recruitment procedures and Restructuring and Redundancy Policy.
- 5.3 The determination of the remuneration to be offered to any newly appointed chief officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment.
- 5.4 In accordance with the DCLG supplementary guidance issued in February 2013 any future remuneration packages offered above £100,000 shall be subject to vote at full Council.
- 5.5 Where the Council is unable to recruit to a post at the designated grade, it will consider the use of temporary market forces supplements in accordance with its relevant policies.
- 5.6 Where the Council remains unable to recruit chief officers under a contract of service, or there is a need for interim support to provide cover for a vacant substantive chief officer post, the Council will, where necessary, consider and utilise engaging individuals under 'contracts for service'. These will be sourced

through a relevant procurement process ensuring the council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. The Council does not currently have any chief officers engaged under such arrangements.

6 Additions to Salary of Chief Officers

- 6.1 The Council does not apply any bonuses or performance related pay to its chief officers.
- 6.2 In addition to basic salary, set out below are details of other elements of 'additional pay' which are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the fulfilment of duties.
- 6.3 Chief Executive and Heads of Service Additional Payment Details
 - 6.3.1 Fees paid for returning officer duties for referenda and Police, Fire and Crime Commissioner elections are paid separately; these are determined by the statutory instruments for the referendum (the fees order);
 - 6.3.2 Fees paid for elections duties for Heads of Service are determined by the Returning Officer with regard to any government guidance issued for that election;
 - 6.3.3 An optional car leasing scheme is available, whereby officers have sacrificed salary in terms of their entitlement to incremental grade progression.
 - 6.3.4 Car mileage reimbursed for business miles, the rate ranges from 9p to 45p per mile, this is determined by class and type: electric, hybrid, petrol or diesel engine and the cc rating of the car.
 - 6.3.5 Gross car insurance is reimbursed subject to a maximum of the NJC Car Necessity scheme user lump sum rate.
- 6.4 With the exception of progression through the incremental scale of the relevant grade being subject to satisfactory performance, the level of remuneration is not variable dependent upon the achievement of defined targets.

7 Payments on Termination

- 7.1 The Council's approach to statutory and discretionary payments on termination of employment of chief officers, prior to reaching normal retirement age, is set out in its Redundancy Policy.
- 7.2 Any payments above £100,000 and any other payments falling outside the provisions or the relevant periods of contractual notice shall be subject to a formal decision made by the full Council or relevant elected members, committee or panel of elected members with delegated authority to approve such payments in line with our scheme of delegation.

8 Lowest Paid Employees

- 8.1 As at the 31st March 2024, the lowest paid person is a cleaner employed on the minimum spinal column point within the Council's grading structure (SCP2).
- 8.2 As at 31st March 2024, SCP 2 is £22,366 per annum (FTE) (pending pay award)
- 8.3 The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.
- 8.4 The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010).
- 8.5 The Hutton report was asked by Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation.
- 8.6 The report concluded that the relationship to median earnings was a more relevant measure and the Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the authority's workforce.
- 8.7 The current pay levels within the Council define the multiple between the lowest paid (full time equivalent) employee (including apprentices) and the Chief Executive pay as 1:6:24 (down from 1:6.65 in 2023) and; between this lowest paid employee and the average chief officer pay as 1:4.07 (down from 1:4.54 in 2023)
- 8.8 The median salary point remains at the same spinal column point as the previous three years, denoted by scp17 at 31st March 2024.
- 8.9 The multiple between the median (average) full time equivalent earnings and the Chief Executive pay is 1:4.85 (down from 1:5.02 in 2023) and; between the median (average) full time equivalent earnings and the average chief officer earnings is 1:3.16 (down from 1:3.43 in 2023).
- 8.10 As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the council will continue to use available benchmark information as appropriate.

9 Accountability and Decision Making

- 9.1 In accordance with the Constitution of the Council, section 4(l) Officer Employment Rules, full Council is responsible for decision making in relation to the recruitment of the Head of Paid Service.
- 9.2 The pay, terms and conditions and severance arrangements in relation to the Head of Paid Service is determined by the Leader of the Council, so long as this is within existing policy and budgets; otherwise the decision will be taken by full Council.
- 9.3 The appointment, pay, terms and conditions and severance arrangements in relation to Heads of Service and below is the responsibility of the Chief Executive (i.e. the Head of Paid Service), or Heads of Service (for officers below their level) and is not by Councilors, (save as mentioned in paragraphs 5.4 and 7.2 above). This is in line with the Constitution – Appendix 4(l) Officer Employment Rules. Recruitment decisions may be made by officers delegated by the Chief Executive or Head of Service.

NJC –Pay grades with effect from 01/04/2023

SCP	Annual Salary	Grade	Grade	Fixed hourly rates £
2	£22,366	1		£11.59
2	£22,366		2	£11.59
3	£22,737		2	£11.79
3	£22,737	3		£11.79
4	£23,114	3		£11.98
5	£23,500	3		£12.18
6	£23,893	3	4	£12.38
7	£24,294		4	£12.59
8	£24,702		4	£12.80
9	£25,119		4	£13.02
10	£25,545		4	£13.24
11	£25,979		4	£13.47
12	£26,421	5		£13.69
13	£26,873	5		£13.93
14	£27,334	5		£14.17
15	£27,803	5		£14.41
16	£28,282	5		£14.66
17	£28,770	5	6	£14.91
18	£29,269		6	£15.17
19	£29,777		6	£15.43
20	£30,296		6	£15.70
21	£30,825		6	£15.98
22	£31,364	7	6	£16.26
23	£32,076	7 (SO)		£16.63
24	£33,024	7		£17.12
25	£33,945	7		£17.59
26	£34,834	7	8	£18.06
27	£35,745		8	£18.53
28	£36,648		8	£19.00
29	£37,336		8	£19.35
30	£38,223	9 (PO)	8	£19.81
31	£39,186	9		£20.31
32	£40,221	9		£20.85
33	£41,418	9	10	£21.47
34	£42,403		10	£21.98
35	£43,421		10	£22.51
36	£44,428		10	£23.03
37	£45,441		10	£23.55
38	£46,464	11		£24.08
39	£47,420	11		£24.58
40	£48,474	11		£25.13
41	£49,498	11		£25.66
42	£50,512	11		£26.18
43	£51,515	11		£26.70
44	£52,503		12	£27.21
45	£53,513		12	£27.74
46	£54,579		12	£28.29
47	£55,591		12	£28.81
48	£56,627		12	£29.35
49	£57,664		12	£29.89

JNC Chief Officers pay rates effective 01/04/2023

	£
HOS838	83,810
HOS867	86,710
HOS896	89,631
HOS925	92,553
HOS954	95,476
HOS100	100,872

**Chief Executive pay rates effective
01/04/2023**

	£
SLCEO2	125,719
SLCEO3	130,301
SLCEO4	134,883
SLCEO5	139,465